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THE Fats and Oils SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE
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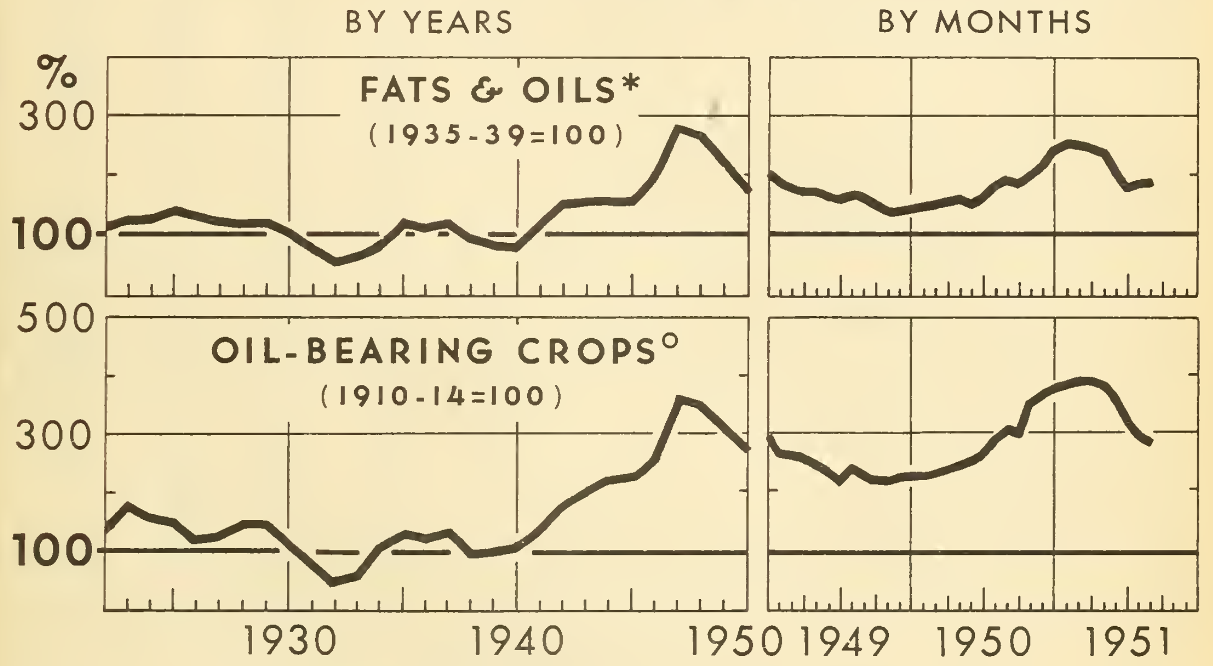
PRICES of FATS, OILS & OILSEEDS



*WHOLESALE PRICES OF 26 MAJOR ITEMS, EXCLUDING BUTTER

° PRICES RECEIVED BY U. S. FARMERS FOR COTTONSEED, FLAXSEED, PEANUTS, AND (BEGINNING 1935) SOYBEANS

U. S. DEPARTMENT OF AGRICULTURE NEG. 47861-XX BUREAU OF AGRICULTURAL ECONOMICS

Prices of most fats and oils probably will remain below a year earlier until at least next spring. Production is expected to increase and the inventory building which took place a year earlier probably will not be repeated. Prospective supplies are large enough to maintain a high level of consumption and exports and still increase ending stocks of most food fats above the relatively low level prevailing in recent years.

Table 1.- Wholesale prices per pound of fats, oils, and glycerin at specified markets, and index numbers of prices of fats and oils, September 1949 and 1950, July-September 1951

Item	1949	1950	1951		
	September	September	July	August	September
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	61.9	62.7	66.7	66.4	67.0
Butter, 92-score, N. Y.	62.2	63.3	67.5	67.3	68.2
Margarine, white, domestic vegetable, Chicago	27.8	29.0	30.0	29.0	29.0
Shortening, cottonseed, hydrogenated, 10-drum lots, N. Y.	22.6	25.8	26.2	25.8	25.8
Shortening, containing animal fat, 1-pound cartons, Chicago	23.4	28.0	30.9	30.1	29.7
Lard, loose, Chicago	12.0	14.0	15.3	16.4	16.1
Lard, prime steam, tierces, Chicago	12.4	14.3	16.6	17.2	17.6
Lard, refined, 1-pound cartons, Chicago	16.4	18.0	18.8	20.3	20.1
Oleo oil, extra, drums, Chicago	14.4	17.8	22.4	22.0	21.2
Oleostearine, barrels, N. Y.	11.0	16.8	14.8	14.8	16.4
Tallow, edible, Chicago	7.3	13.4	11.0	10.8	11.8
Corn oil, crude, tanks, f.o.b. mills	13.2	17.8	14.1	15.8	15.8
Corn oil, refined, drums, N. Y.	19.2	23.8	20.8	21.2	20.9
Cottonseed oil, crude, tanks, f.o.b. S. E. mills	11.7	17.9	14.6	15.4	14.7
Cottonseed oil, p.s.y., bleachable, tank cars, N. Y. 1/	14.2	20.5	16.8	17.6	17.0
Cottonseed oil, refined, drums, N. Y.	20.0	25.0	24.1	22.6	21.8
Peanut oil, crude, tanks, f.o.b. mills	16.3	20.9	16.5	17.5	17.0
Peanut oil, refined, drums, N. Y.	23.4	28.5	22.4	22.6	22.8
Soybean oil, crude, tank cars, Midwestern mills	11.4	15.0	14.5	15.4	14.0
Soybean oil, refined, drums, N. Y.	15.6	19.8	19.9	20.6	19.5
Babassu oil, tanks, N. Y.	17.8	19.5	16.0	17.1	17.2
Coconut oil, crude, tank carlots, Pacific Coast 2/	16.4	20.2	15.4	16.2	16.5
Coconut oil, Cochin type, refined, drums, N. Y. (tax included)	22.4	25.2	20.8	21.3	21.1
Olive oil, imported, edible, drums, N. Y.	44.5	41.9	37.1	34.9	34.1
Olive-oil foots, domestic, drums, carlots, N. Y.	18.6	14.8	18.4	17.7	18.1
Palm oil, Congo, drums, N. Y. 3/	11.6	15.9	24.2	21.9	21.0
Sesame oil, refined, drums, N. Y.	41.0	31.3	38.5	38.5	38.5
Tallow, inedible, prime or extra, carlots, Chicago	6.4	12.3	9.1	9.1	9.6
Tallow, No. 1, inedible, Chicago	5.1	10.0	7.1	7.1	7.9
Grease, A white, Chicago	5.9	11.5	7.2	7.9	9.0
Grease, yellow, Chicago	4.8	9.6	6.1	6.7	7.5
Menhaden oil, light pressed, tanks, N. Y.	10.0	15.0	14.6	13.5	14.7
Sardine oil, crude, tanks, Pacific Coast	6.9	11.0	10.2	10.4	11.6
Cottonseed-oil foots, raw (50 percent T.F.A.) delivered East	1.8	3.0	2.2	1.9	1.9
Tall oil, refined, tanks, works	5.0	5.0	5.8	5.8	5.8
Linseed oil, raw, tank cars, Minneapolis	19.0	17.0	15.1	14.1	16.5
Linseed oil, raw, drums, carlots, N. Y.	20.8	18.6	16.9	15.9	18.3
Oiticica oil, drums, f.o.b.,N. Y.	23.4	21.8	29.7	28.0	26.9
Tung oil, drums, carlots, N. Y.	27.0	26.5	38.9	36.8	37.8
Tung oil, tanks, N. Y.	25.5	25.4	36.9	34.7	36.1
Castor oil, No. 3, drums, carlots, N. Y.	17.0	22.8	34.4	33.0	31.5
Castor oil, No. 1, tanks, f.o.b. New Jersey mills	17.2	22.3	33.7	32.2	30.8
Castor oil, dehydrated, tanks, N. Y.	21.0	25.8	38.8	37.3	35.8
Cod-liver oil, medicinal, U.S.P., barrels, N. Y.	25.9	20.8	25.4	25.4	25.4
Cod oil, Newfoundland, drums, N. Y.	10.4	10.0	4/15.0	15.0	15.0
Degras, common, barrels, N. Y.	11.5	11.5	13.8	13.8	13.8
Neat's-foot oil, 30°, drums, carlots, N. Y.	22.0	26.0	34.5	34.5	34.5
Rapeseed oil, refined (denatured), tanks, N. Y.	17.3	22.0	25.5	24.6	24.0
Sperm oil, natural, 45°, drums, N. Y.	17.8	14.6	18.8	17.6	17.4
Glycerin, soaplye, basis 80 percent, tanks, N. Y.	15.9	50.7	41.0	39.4	37.9
INDEX NUMBERS (1935-39=100)					
Eight domestic fats and oils (1910-14=100)	177	196	201	203	206
Eight domestic fats and oils (.72*)	175	193	199	200	203
All fats and oils (27 items) (.73*)	186	204	205	207	210
All fats and oils, except butter (26 items) (.82*)	157	191	180	183	186
Grouped by origin:					
Animal fats (.69*)	186	197	209	209	213
Marine animal oils (.77*)	153	218	222	226	243
Vegetable oils, domestic (.84*)	173	223	187	192	190
Vegetable oils, foreign (.88*)	207	216	215	208	212
Grouped by use:					
Butter (.67*)	210	213	227	225	228
Butter, seasonally adjusted (.67*)	206	209	245	233	224
Lard (.78*)	122	140	163	168	172
Other food fats (.84*)	170	226	193	198	193
All food fats (.71*)	189	206	211	213	214
Soap fats (.80*)	152	214	178	180	186
Drying oils (.85*)	206	188	186	175	198
Miscellaneous oils (.71*)	180	222	321	310	300
All industrial fats and oils (.82*)	177	202	187	183	195

Prices compiled from Oil, Paint, and Drug Reporter, The National Provisioner, The Journal of Commerce (New York), Wall Street Journal, Chicago edition, reports of Production and Marketing Administration, and Bureau of Labor Statistics. Excise taxes and duties included where applicable. Index numbers of earlier years beginning 1910 are in Technical Bulletin No. 737 (1940) and The Fats and Oils Situation beginning December 1940. 1/ Near-by futures. 2/ Three-cent processing tax added to prices as originally quoted. 3/ Tax excluded. See table 2, footnote 4. 4/ One quotation only.
* Multiply by this factor to convert index numbers (1935-39=100) to old basis (1924-29=100).

THE FATS AND OILS SITUATION

Approved by the Outlook and Situation Board, October 26, 1951

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SUMMARY

The general level of fats and oils prices in October 1951 was about the same as a year earlier; but, in contrast to the rise which took place a year ago, little change is anticipated over the next six months. Production is expected to increase and the inventory building which occurred last fall and winter probably will not be repeated. Prices next spring and summer will depend to a considerable extent on prospects for 1952 crops, as well as on international developments. The wholesale price of 26 major fats and oils (excluding butter) on an index basis was about 190 percent in October of the average for 1935-39. Wholesale prices averaged 214 in 1950-51, 155 in 1949-50, and 283 in 1946-47, the postwar peak.

Prospective supplies are large enough to allow a high level of consumption and exports as well as an increase in stocks of food fats on hand next October 1 above the relatively low level prevailing in recent years. Production of edible vegetable oils in 1951-52 is expected to be about 10 percent larger than in the preceding year. Output of lard is likely to be about 5 percent larger, with some increase in inedible tallow and grease. Butter production, on the other hand, may be slightly smaller. Total production of edible fats and oils may be about 5 percent larger than a year earlier.

Both domestic and foreign demand is expected to continue strong. Disappearance of fats and oils in the United States is likely to be moderately greater than in 1950-51, mainly because of increased use for industrial products such as paints, varnishes, chemicals, and rubber. Disappearance per capita in 1950-51 apparently was the largest on record, except in 1941 when substantial amounts of fat and oil products were accumulated in unreported positions.

Exports of fats and oils from the United States in 1950-51 were at a record high level and are expected to again be large in 1951-52. Exportable supplies of edible vegetable oils in non-dollar areas will be larger than in the season just past, but Western Europe's supplies per capita will still be below prewar. Since Argentina's surplus inventory of flaxseed and linseed oil is now exhausted, importing countries will need to increase their purchases from the United States. U. S. exports of inedible tallow and grease probably will continue large. The prospect that Europe will have more dollar exchange available than in the past year is a generally strengthening factor in the export outlook.

The increase in supplies of edible fats and oils in 1951-52 over 1950-51 is entirely due to increases in cottonseed and lard. No increase in total production of oilseed crops is likely in 1952 over the record-high level in 1951. Lard production in 1952-53 may be a little smaller than in 1951-52, as a small decrease is likely in the 1952 spring pig crop. Some further decline in butter production also is likely. Barring unfavorable weather, total supplies of edible fats and oils probably will be large enough in 1952-53 to maintain both consumption and exports close to the 1950-51 level. However, the moderate surplus which may be available to build up present low stocks of edible fats and oils during the current marketing year probably will not recur during the 1952 marketing year.

Some increase in flaxseed acreage is expected in 1952. Even with a substantial increase in production, disappearance in 1952-53 probably will be materially larger than production, necessitating a further reduction in Government stocks of linseed oil. If industrial activity continues at the high rate anticipated, a substantial further increase in flaxseed acreage would be required by 1953 or 1954. An increase in the domestic castor bean production program also is expected in 1952.

Season average prices received by farmers in 1951-52 for cottonseed, soybeans and flaxseed are expected to be above the price support level. Prices for peanuts for edible use will average close to the support level.

With a crop about 70 percent above last year and the largest since 1937, prices received by farmers for 1951 crop cottonseed are currently running below last year's level and for the season possibly will average somewhat above the support level. Loans to farmers on cottonseed produced in 1951 are being offered by CCC at $65.50 per ton for basis grade (100) cottonseed. In areas where necessary, direct purchase of cottonseed will be made at $61.50 per ton, basis grade. In addition, CCC will purchase cottonseed from participating ginners and will purchase specified quantities of cottonseed products at stipulated prices from participating crushers who pay eligible ginners or producers not less than the loan prices. Weekly reports indicate that the October price to producers of cottonseed for all grades averaged about $70 per ton, compared with $81.50 a year earlier and a preliminary season average price of $86.40 for the 1950 crop.

In October 1951, market prices indicate that farmers may have received about $2.70 per bushel for their beans, 25 cents above the support. During October the price of soybean meal was at its ceiling. With no pronounced changes in oil or meal prices likely, the season average price received by farmers for 1951 crop soybeans may not differ much from the present level. 1951 production of soybeans is estimated at 271 million bushels, 6 percent less than the record crop in 1950 but substantially above any other year.

Price support to farmers for soybeans produced in 1951 is being offered through loans and purchase agreements at a national average of \$2.45 per bushel (for No. 1 or No. 2 green or yellows beans), compared with \$2.06 per bushel for the 1950 crop. The preliminary season average price to farmers for the 1950 crop was \$2.45 per bushel, but prices were above this level in all months except October.

Prices for 1951 crop farmers' stock peanuts produced on allotted acreage by eligible producers are being supported at an average price of 11.53 cents per pound, compared with 10.8 cents for the 1950 crop. Prices received by producers in mid-September for all peanuts averaged 11.0 cents per pound. This average reflected support prices for peanuts produced on allotted acres and lower prices for peanuts produced on excess acreage. The price paid eligible producers for peanuts produced on excess acreage is equivalent to the prevailing market value for peanut oil and meal, less the estimated costs of storing, handling, selling, and crushing. The estimated acreage of peanuts to be picked and threshed this fall, which includes non-commercial growers without allotments, is 19 percent greater than the national acreage allotment. But peanuts picked and threshed in 1951 are expected to total about 1.7 billion pounds, 20 percent less than in 1950, with the reduction largely reflecting unfavorable growing conditions. The reduction in supplies probably will be reflected in small exports and a considerable decline in crushings, with total edible use about the same as in 1950-51.

Flaxseed is currently selling at around \$3.85 per bushel at the local market level, compared with the preliminary season average price in 1950-51 of \$3.35. Flaxseed prices may continue close to the current level during the rest of the marketing season. Production of flaxseed in 1951 is estimated at 32.3 million bushels, 18 percent less than in 1950. The national average support price for 1952-crop flaxseed grading No. 1 at the farm level will be \$3.77 per bushel. The support price for 1951-crop flaxseed now being marketed is at a national average of \$2.65 per bushel. Flaxseed to be harvested in 1952 will be supported at a higher level to induce greater production. Total disappearance of flaxseed and linseed oil in 1951-52 may be over 50 percent larger than production. Stocks of flaxseed are expected to be reduced to a minimum working level by July 1, 1952. Also, the large stocks of linseed oil owned by the Government probably will be reduced somewhat.

OUTLOOK

Prices of most fats and oils to average lower than in 1950-51

Prices of fats and oils advanced sharply following the outbreak of hostilities in Korea, reflecting some increase in actual utilization for the industrial items and substantial increases in inventories of both industrial and edible fat and oil products. Prices of most items reached a peak in early February. However, prices of edible oils and inedible tallow and grease were rolled-back somewhat by price ceilings in late February and March. Starting about May, consumers began to use up the accumulated inventories and prices declined. With the prospect of a large production of both animal and vegetable fats and oils in 1951-52, prices continued to decline, reaching a low in July or August for most items. The price of linseed oil has advanced considerably from the low point, reflecting a reduction in the flaxseed crop. Prices of some other oils have increased slightly.

Little change from October is anticipated in the general level of prices over the next 6 months. Prices of edible vegetable oils will be supported within a cent or so of present levels by the Government purchase program for cottonseed products. (As explained in the next section, prices of oil can vary slightly under this program, depending on the price of cottonseed meal and linters.) Prices of lard and of inedible tallow and grease may decline as supplies increase seasonally during coming months. On the other hand, prices of drying oils are expected to continue strong. Prices next spring and summer for fats and oils generally will depend to a considerable extent on prospects for 1952 crops, as well as on international developments. Butter prices are expected to average slightly higher in 1951-52 than in 1950-51 owing to the probable lower production and the expected high level of consumer incomes.

The relationships between cottonseed and soybean oil prices and between linseed and soybean oil prices are expected to be about normal in the current marketing season. Because of the short cottonseed oil crop last year, prices of cottonseed oil were over 3 cents per pound above those for soybean oil in some months. Price ceilings were established with a 3-cent differential, subject to revision when conditions returned to normal. Currently, crude cottonseed oil is selling for about the usual 1 cent above soybean oil. Linseed oil prices, on the other hand, averaged only 0.6 cent above soybean oil prices in 1950-51, whereas normally a spread of 3 cents or more prevails. The spread in October was 4.0 cents. The widening of the spread to more normal levels will encourage the use of soybean oil in drying oil products. Supplies of drying oils are expected to become increasingly tight over the next several years, while supplies of edible oils will be at least adequate, barring unfavorable weather.

Large Cottonseed Crop Selling For Sharply Lower Prices

The cottonseed crop is about 70 percent larger than last year's small crop and the largest since 1937. On the basis of the October 1 estimate of cotton lint production and the 1946-50 average ratio between production of seed and lint, output of cottonseed in 1951 will total 6,845,000 tons compared with only 4,078,000 tons a year earlier. Cotton acreage in cultivation July 1, 1951, totaled 29.5 million compared with 18.6 million a year earlier and the 1940-49 average of 22.2 million. Last year, acreage allotments and marketing quotas were in effect, but these were not continued in 1951 and will not be in effect in 1952. The yield per acre this year is greater than last year and well above average.

Table 2. --Index numbers of wholesale prices of fats and oils and of all commodities, and wholesale prices per pound of leading fats and oils, United States, specified periods

Item	Index numbers (1935-39 = 100)						
	Average			Oct. 1950 - Sept. 1951			Oct. 1951 1/
	1937-41	Oct. 1948 - Sept. 1949	Oct. 1949 - Sept. 1950	Range of monthly averages: Low	Range of monthly averages: High	Average 12 months	
27 major fats and oils	98	199	184	203	244	223	227
26 items, excluding butter	93	186	155	180	251	214	189
Butter	101	209	208	215	237	228	237
Lard	79	137	116	127	191	166	174
Other food fats	98	195	175	193	284	243	189
Soap fats	99	186	159	178	295	238	176
Drying oils	108	258	187	174	254	213	202
All commodities (Bureau of Labor Statistics index)	101	196	194	210	228	222	
	Wholesale prices, specified markets						
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	29.6	61.5	61.1	63.2	69.8	67.0	69.8
Lard, tank carlots, Chicago	7.6	13.2	10.9	12.5	18.1	15.9	17.4
Cottonseed oil, crude, S. E. mills 2/	7.0	13.8	13.2	14.6	24.5	20.0	14.5
Soybean oil, crude, tank cars, midwest mills 2/	6.4	13.1	12.3	14.0	21.1	17.8	13.8
Corn oil, crude, tanks, f.o.b. mills	7.4	14.7	13.7	14.1	24.7	20.2	15.2
Peanut oil, crude, tanks, f.o.b. mills	7.3	15.9	14.8	16.5	27.0	21.3	16.6
Inedible tallow, prime, Chicago 2/	6.3	8.1	6.8	9.1	17.5	13.5	9.2
Grease, yellow, Chicago	5.6	6.4	5.6	6.1	16.2	11.4	7.1
Coconut oil, crude, tank cars, Pacific Coast 3/	7.0	19.8	17.6	15.4	24.3	16.5	14.1
Linseed oil, raw, tank cars, Minneapolis	9.3	25.2	16.7	14.1	22.4	18.4	17.8
Palm oil, Congo, drums, New York 4/	7.9	19.1	12.9	16.7	28.2	23.2	20.0
Castor oil, dehydrated, tanks, New York	N.A.	22.0	22.0	26.8	40.8	36.3	37.8
Tung oil, tanks, New York	5/21.7	21.5	25.4	24.6	41.0	35.4	36.8

Compiled from Oil, Paint and Drug Reporter, the National Provisioner, Chicago edition of the Wall Street Journal, and reports of Production and Marketing Administration.

1/ Preliminary.

2/ Ceiling price as follows: Effective February 14, 1951, cottonseed oil 23.5 cents; soybean oil 20.5 cents; effective March 12, 1951, inedible tallow 14.8 cents.

3/ Three cents added to allow for tax on first domestic processing.

4/ Three cents added for tax on first domestic processing in 1937-41. This tax does not apply to palm oil used in the manufacture of iron or steel products, tin or terne plate. Since 1943 these are the major uses of palm oil.

5/ 1937-41, drums.

N. A. - Not available.

Prices for cottonseed oil are substantially less than a year earlier, reflecting the large crop and the fact that the immediate psychological reaction, reflected in inventory building, to the outbreak of hostilities in Korea has subsided. Although CCC will purchase cottonseed oil at an average price of 15.5 cents per pound from crushers who participate in the product-purchase program, this will not necessarily support the price of oil at that level, since the crushers must also sell linters and meal to CCC at specified prices. Consequently the total return for all three products will determine whether crushers sell their products on the open market or deliver them to CCC. Thus the program, while offering a firm support for cottonseed prices, will not necessarily support the price of oil at the announced levels. Up to the present time, crushers apparently have been getting a greater total return by selling their products on the open market. Prices for cottonseed meal have been substantially above the CCC price and this has more than compensated for the fact that the market price for the oil is below that offered by CCC. Market prices for linters are about equal to CCC prices. The price of crude cottonseed oil at Southeast mills was about 14.5 cents per pound in October 1951 compared with the CCC purchase price of 15.625 cents and 18.5 cents a year earlier.

An example for the Southeastern area indicating whether it is advantageous for crushers to sell their products to CCC is as follows: This assumes that the market price for linters is about the same as the CCC price.

For every ton of cottonseed purchased by crushers CCC will purchase from crushers 839 pounds of 41 percent protein cake or meal at 2.8 cents per pound and 311 pounds of oil at 15.625 cents per pound. The meal price is equal to $56 per ton. If the open market price for meal is $1.00 per ton more than this, then crushers will receive 41.95 cents above the CCC price for 839 pounds of meal (839 is 41.95 percent of a short ton). This is equal to 0.135 cent per pound of oil (41.95 cents divided by 311). Consequently, for the Southeast area, every increase of $1.00 per ton above $56 received by crushers for meal would offset a drop of 0.135 cent per pound below the CCC price of 15.625 cents per pound of oil, assuming the market price for linters is about the same as the CCC price. In late October, crushers were getting about $80 per ton for the meal. This would offset a drop in the oil price of 3.2 cents below the CCC level.

Soybean prices to be lower during most of 1951-52 than in 1950-51

The 1951 production of soybeans for beans was estimated at 271 million bushels on the basis of October 1 conditions which is less than last year's record crop but substantially above any other year. Prospective supplies of edible vegetable oils are nearly 10 percent greater than a year earlier, so that soybean oil prices probably will be lower in 1951-52 than in 1950-51. On the other hand, demand for high protein feed in 1951-52 is expected to be heavy, and the quantity of protein feeds available per animal fed is likely to be a little less than a year earlier. Soybean meal was at the ceiling of $74 per ton, bulk, Decatur during October, $20 per ton above a year earlier. Market prices indicate that prices received by farmers for soybeans during most of October averaged about $2.70 per bushel, 25 cents above the support.

Table 3. - Cottonseed: Price to farmers, supply and distribution, United States, average 1937-41, annual 1942-51

Year beginning August	Season average price per ton received by farmers	Production	Stocks at mills, August 1	Total supply	Exports 1/	Processed for oil and meal	Seed	Residual 2/	Crushings as a percentage of production
	Dollars	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Percent
Average									
1937-41	26.37	5,500	134	5,634	---	4,671	382	439	84.9
1942	45.61	5,202	82	5,284	3	4,498	344	349	86.5
1943	52.10	4,688	90	4,778	3	3,955	3/317	385	84.4
1944	52.70	4,902	118	5,020	4	4,254	280	263	86.8
1945	51.10	3,664	219	3,883	4	3,262	288	211	89.0
1946	72.00	3,514	118	3,632	8	3,090	321	113	87.9
1947	85.90	4,682	100	4,782	5	4,081	315	292	87.2
1948	67.20	5,945	89	6,034	6	5,332	381	183	89.7
1949	43.40	6,559	132	6,691	11	5,698	279	418	86.9
1950	86.40	4,078	285	4,363	6	3,695	4/	596	90.6
1951		5/6,845	66	6,911					

Compiled from reports of the Bureau of the Census and U. S. Department of Agriculture.

1/ Not separately reported, 1923-41.

2/ Includes feed, fertilizer, and loss.

3/ Prior to 1943, seed used for planting was computed at a constant rate per acre, by States.

4/ Not available, included in residual.

5/ Indicated October 1 if the ratio of lint to cottonseed is the same as the average for the past five years.

Farmers usually market the bulk of the crop by the end of November and this is generally reflected in lower prices for the beans. Last year, however, farmers spread out their marketings a little more evenly. It appears that they may be doing the same this year. With no pronounced changes in oil or in meal prices likely, the season average price received by farmers for 1951-crop soybeans may not differ very much from the present level.

Quota Peanuts Supported At Higher Prices This Year

The estimated acreage of peanuts to be picked and threshed this fall, at 2,255,000 acres, is 19 percent greater than the national acreage allotment of 1,889,000 acres. Deliveries of excess peanuts up to mid-October totaled 3,160 tons. Prices paid for excess peanuts through October equaled about 50 percent of the prices being paid for "quota" peanuts (those grown on allotted acreages), reflecting conditions in the oil and meal market.

Table 4. - Soybeans: Price to farmers, supply and distribution, United States, 1937-51

Year beginning October	Season average price per bushel received by farmers	Production	Stocks, October 1	Total supply	Exports 1/	Crushings for oil and meal	Seed	Residual 2/
	Dollars	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Average 1937-41	.96	76.7	N.A.	76.7	3.5	54.6	15.4	N.A.
1942	1.61	187.5	6.0	193.5	.9	133.5	21.0	25.6
1943	1.81	190.1	12.5	202.7	1.0	142.3	19.8	25.5
1944	2.05	192.0	14.2	206.1	5.1	153.4	18.9	21.0
1945	2.08	192.1	7.7	199.8	2.9	159.5	16.5	16.7
1946	2.57	201.3	4.3	205.6	3.9	170.2	17.1	9.0
1947	3.34	183.6	5.4	188.9	3/ 3.0	161.4	15.7	6.3
1948	2.27	223.0	2.6	225.6	3/23.0	183.7	15.4	.4
1949	2.16	230.9	3.1	234.0	3/13.1	195.1	18.5	4.4
1950 4/	2.45	287.0	2.9	289.9	3/5/27.7	251.6	17.4	
1951		6/ 271.2						

Compiled from reports of the Bureau of the Census and U. S. Department of Agriculture.

1/ Including shipments to United States Territories before April 1948.
2/ Computed from unrounded numbers. Includes use for feed, direct use for food, and loss.
3/ In addition, exports of soybean oil, in millions of pounds and the soybean equivalent in millions of bushels were as follows: 1947, 112 (11.9); 1948, 300 (31.4); 1949, 291 (31.2); 1950 (11 months), 247 (44.8).
4/ Preliminary.
5/ October 1950-August 1951.
6/ Indicated October 1.
N. A. Not available.

Based on October 1 indications, peanuts picked and threshed in 1951 would total 1.7 billion pounds, 335 million pounds less than in 1950. Beginning stocks, however, are substantially greater than a year earlier.

With edible use and farm use of peanuts remaining relatively stable since World War II, reductions in output are reflected in reductions in total exports and crushings. Edible use of peanuts may increase slightly in 1951-52 because the increase in consumers' income may more than offset the effect on consumption of some rise in the price of peanuts. The reduction in supplies probably will be reflected in small exports and a considerable decline in crushings.

Table 5.- Peanuts: Price to farmers, production (picked and threshed), farm uses, domestic commercial disappearance and exports, United States, 1937-51

Year beginning Sept. 1	Season average price per pound received by farmers 1/	Production (picked and threshed) 1/	Farm uses (farmers' stock basis) 1/ 2/	Domestic commercial disappearance (except for crushing) 3/		Crushings		Exports 4/	
				Cleaned	Shelled	Farmers' stock peanuts	Shelled peanuts	Cleaned peanuts	Shelled peanuts
	Cents	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average 1937-41	3.6	1,395	227	70	517	256	31	5/	3
1942	6.1	2,193	361	59	796	391	40	5/	3
1943	7.1	2,176	296	78	770	408	47	3	22
1944	8.0	2,081	298	103	828	119	6/ 179	2	19
1945	8.3	2,042	287	80	785	90	6/ 181	5	41
1946	9.1	2,038	302	64	602	263	186	19	160
1947	10.1	2,183	285	67	560	286	134	10	331
1948	10.5	2,338	235	68	544	160	226	10	526
1949	10.4	1,876	230	64	552	28	415	4	90
1950 7/	10.9	2,019	222	64	585	54	403	2	48
1951		8/ 1,685							

Exports from Bureau of the Census. Other data from Bureau of Agricultural Economics. Domestic commercial disappearance (except for crushing) computed as total disappearance of cleaned and shelled peanuts minus crushings and exports. 100 pounds of farmers' stock peanuts yield about 95 pounds of cleaned peanuts, about 67 pounds of shelled edible grade kernels, or 70 pounds or more of edible and oil-stock kernels.

1/ Year beginning August 1 in the Southwestern area; September 1 in the Southeastern area; and November 1 in the Virginia-Carolina area.
2/ Seed, feed, and loss, and farm household use.
3/ Includes a relatively small quantity sold to farmers for planting but goes mostly to commercial food uses, mainly peanut butter, candy, and roasting and salting.
4/ Including shipments to U. S. Territories, September 1943-August 1947.
5/ Less than 500,000 pounds.
6/ Total crushings minus crushings of imported Argentine peanuts.
7/ Preliminary.
8/ Indicated October 1.

Flaxseed Prices to Continue Above 1950-51 Average

The national average support price at the farm level for 1952-crop flaxseed grading No. 1 will be $3.77 per bushel. Support will be implemented by loans and purchase agreements in most areas, but in designated Texas counties which produce winter flaxseed by direct purchase only. The loans and purchase agreements will be available from time of harvest through October 1952 in Arizona and California, and through January 1953 in all other States, except that the direct purchases in Texas counties will be available only through July 1952. Price support for 1951-crop flaxseed now being marketed is at a national average of $2.65 per bushel. Flaxseed to be harvested in 1952 will be supported at a higher rate because flaxseed disappearance is exceeding production and there is need to increase production above this year's level. Flaxseed is currently selling at around $3.85 per bushel at local markets, compared with the preliminary season average price in 1950-51 of $3.35. Flaxseed prices may continue close to the current level during the balance of the marketing season.

Prospective 1951 production of flaxseed declined during September for the third successive month. As of October 1, the crop was estimated at 32.3 million bushels, 18 percent less than in 1950. Both acreage and yield are down from the preceding year. Excessively wet and cool weather at harvest time is an important factor in the lower yields. As harvest was only about 50 percent complete on October 1 in the important States of North Dakota and Minnesota, further damage to the crop is possible. Domestic use of linseed oil, in seed equivalent, is expected to total about 40 million bushels in 1951-52, with cleaning loss and seed at about 5.5 million. Exports of flaxseed and linseed oil, in seed equivalent, may total at least 4.5 million bushels. Thus, total disappearance of flaxseed and linseed oil in 1951-52 may be over 50 percent larger than production. Stocks of flaxseed are expected to be reduced to a minimum working level by July 1, 1952, and the large stocks of linseed oil owned by the Government probably will be reduced somewhat. Surplus stocks of flaxseed held in Argentina were used up during the past season, so that European countries probably will depend to an increasing extent on imports of flaxseed or linseed oil from the United States.

Supply-Demand Outlook for Oilseeds Over the Next Several Years

The increase in supplies of edible fats and oils in 1951-52 over 1950-51 is entirely due to increases in cottonseed and lard. Supplies of all other major edible fats and oils are down from a year ago. No increase in total production of edible oilseed crops is likely in 1952 over the record large production in 1951.

Lard production in 1952-53 may be a little smaller than in 1951-52, as a small decrease is likely in the 1952 spring pig crop. Hog production, after increasing for five successive years, is leveling off and may decline somewhat in 1952. The smaller supply of feed grains in relation to the livestock to be fed is resulting in higher feed prices. The hog-corn ratio is now about average, after staying above average in most months of the last three years. Hog production in future years will depend chiefly on the size of the corn crops. Milk production may be relatively stable over the next several years, but if consumer incomes remain high, the trend toward higher consumption of fluid milk and whole milk dairy products probably will continue, so that some further reduction in butter production is likely.

Table 6.- Price to farmers, acreage, production, net trade, crushings, and stocks of flaxseed, and stocks of linseed oil in terms of flaxseed, United States, 1937-51

Year beginning July	Flaxseed						Stocks of linseed oil, July 1, in terms of flaxseed
	Season average price to farmers per bushel	Planted acreage	Production	Net imports (+) or net exports (-)	Crushings	Total stocks, July 1 1/	
	Dollars	Mil. acres	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Average							
1937-41	1.63	2.3	19.6	+16.8	33.9	3.8	7.4
1942	2.36	4.7	41.0	+ 6.3	44.3	6.2	11.8
1943	2.83	6.2	50.0	+16.8	54.6	4.4	10.1
1944	2.91	2.9	21.7	+ 5.1	32.9	12.2	17.7
1945	2/ 2.89	4.0	34.6	+ 3.4	29.4	3.1	8.2
1946	4.04	2.6	22.6	+ 1.3	24.6	6.6	5.7
1947	6.15	4.2	40.5	+ .7	30.1	1.7	7.6
1948	5.71	5.0	54.5	- 4.1	37.3	7.2	7.0
1949	3.63	5.2	43.9	- 2.0	37.4	19.4	19.3
1950 3/	3.35	4.1	39.3	- 2.9	42.2	17.0	29.2
1951		3/ 3.9	4/ 32.3			12.3	33.8

Compiled from reports of the Bureau of the Census and United States Department of Agriculture.

1/ Partly estimated before 1948.

2/ In addition, farmers were eligible for payments of $5.00 per planted acre (equivalent to 56 cents per bushel at the average yield of 9 bushels per acre).

3/ Preliminary.

4/ Indicated as of October 1.

Barring unfavorable weather, total supplies of edible fats and oils in 1952-53 probably will be large enough to maintain both consumption and exports close to the 1950-51 level. However, the moderate surplus which may be available to build up present low stocks during the current marketing year probably will not recur during the 1952 marketing year. Should bad weather reduce the production of either oilseeds or feed grains to any considerable extent, a substantial reduction in exports probably would be required.

With average yields and the 1951 acreage, flaxseed production would be larger than in 1951. The higher support level announced for the 1952 crop may induce some increase in acreage. Even with a substantial increase in production, disappearance in 1952-53 probably will be materially larger than production, necessitating a further reduction in Government stocks of linseed oil. If industrial activity continues at the high rate anticipated, a substantial further increase in flaxseed acreage would be required by 1953 or 1954. As will be discussed in a later section, an increase in the domestic castor bean program also is expected.

Tallow and grease supplies will be relatively large over the next severa years as beef production is expected to increase in 1952 over 1951 and to increase further in subsequent years. Cattle slaughter in 1951 was at a 10-year low, and in 1952 may be up by something like 10 percent.

Record Output of Domestic Fats and Oils Likely in 1951-52

Production of fats and oils from domestic materials, including the oil equivalent of exported domestic oilseeds, probably will total a record of abou 12.8 billion pounds in the year which began October 1, 1951. Output a year earlier is estimated at 12.3 billion pounds, a record level itself. A large increase in cottonseed oil and increases in lard and inedible tallow and greases will more than offset declines in soybean oil, linseed oil and butter.

Animal Fats - Output of butter in the year ended October 1, 1951, totaled about 1,505 million pounds, 208 million less than a year earlier. Production of milk was about the same as a year earlier, but as in the past, rising consumer incomes were reflected in increased consumption of fluid milk, with a reduction in the quantity of milk used for butter. As this trend is likely to continue and little change in output of milk is expected, production of butter in 1951-52 is estimated at 1,460 million pounds, about 45 million pounds less than a year earlier.

Production of lard in the year which began October 1, 1951, probably will rise to about 2,950 million pounds compared with about 2,840 million pounds a year earlier. The 1951 spring and fall pig crops are expected to total about 5 percent larger than the 1950 crops. Hog slaughter in 1951-52, when most of the 1951-crop pigs will be slaughtered, is expected to increase a little less than 5 percent. Slaughterings in July-September 1951 were unusually heavy and to some extent represent early marketings of a larger than usual percentage of the 1951 spring pig crop. If marketings of hogs in July-September 1952 are also considerably greater than normal, production of lard probably would be over 2,950 million pounds. The yield of lard per hog increased slightl in 1950-51, reflecting an increase in the average live weight of hogs slaughtere The average live weight of hogs in 1951-52 is not expected to be much different from the year before. Yield of lard per 100 pounds of live weight has tended to remain fairly stable in the last three years. The pig crops have been increasin since 1946 but there may be some decline in 1952 reflecting some tightening in feed supplies.

Table 7.- Number and average live weight of hogs slaughtered under Federal inspection, yield of lard per hog and per 100 pounds live weight, and production of federally inspected lard, average 1937-41 and 1946-50

Period	Hog slaughter		Yield of lard per		Lard production
	Number	Average live weight	Hog slaughtered	100 pounds	
	Thousand	Pounds	Pounds	Pounds	Million pounds
Average					
1937-41	41,223	233.5	29.7	11.6	1,224
Year beginning					
October:					
1946	47,064	257.0	35.4	13.8	1,666
1947	47,736	251.0	34.1	13.6	1,628
1948	51,204	249.9	36.2	14.5	1,855
1949	56,379	245.3	35.4	14.5	1,995
1950 1/	61,195	247.8	35.6	14.4	2,178

Compiled from reports of Production and Marketing Administration.

1/ Preliminary

Production of inedible tallow and greases in the year which began October 1, 1951, probably will total about 2,400 million pounds--a new high record. Production of greases will increase as a result of the rise in hog slaughter. Output of inedible tallow also will rise with increasing cattle slaughter. Cattle slaughter in 1951 was at a 10-year low, but slaughter in 1952 may be appreciably larger than in 1951. The number of cattle on farms January 1, 1952, probably will reach a new peak.

The ratio between total live weight of hogs and cattle slaughtered and total output of inedible tallow and grease in 1950-51 was substantially higher than the year before. However, there was practically no percentage increase in July-August 1951 over a year earlier. With present prices of tallow and greases substantially below those of early this year, there may be some decline from the high yields of fat per animal obtained in 1950-51.

Vegetable Oils - production of the vegetable oils used principally in food products is likely to total a record 4.8 billion pounds (including the oil equivalent of exported soybeans and peanuts for crushing) in the year which began October 1, 1951. This would be an increase of 0.4 billion pounds from the 1950-51 level.

The increase in the cottonseed crop is about 70 percent. Production of cottonseed oil in 1951-52 may total 1,950 million pounds compared with about 1,220 million a year earlier.

On the basis of the October estimate of the 1951 soybean crop and the record domestic noncrushing uses in recent years, exports and crushings of soybeans in 1951-52 may total 245 million bushels compared with about 280 million bushels a year earlier. The decline from 1950-51 is expected to be about 300 million pounds in terms of oil.

Crushings and exports of peanuts in the year ended September 30, 1951, totaled about 200 million pounds, oil equivalent. Total crushings and exports probably will decline in 1951-52 to about 150 million pounds, oil equivalent, with little going for export.

Since corn oil is a byproduct of the processing of corn for other products, mainly corn starch and corn sugar, production varies principally in response to the demand for these products. As demand is expected to continue strong and corn supplies for 1951-52 are still large, production of corn oil probably will be about the same as in 1950-51 when 243 million pounds were produced.

Production of tung oil in 1951-52 is expected to be somewhat greater than the 12 million pounds produced a year earlier, but less than the 27 million pounds produced in 1949-50. Early spring frosts killed many tung blossoms in the last two years. The first official estimate of tung-nut production in 1951 will be published in mid-December.

Castor beans will make their debut as a commercially important domestic oil crop this year. Historically, the United States has imported all the castor beans and oil that it needed. However, to assure that vital defense requirements for castor oil will be met, the United States Department of Agriculture has undertaken a program at the request of the Munitions Board to encourage domestic production of castor beans. Under this program, about 84,000 acres have been planted on irrigated and non-irrigated land. It is estimated that about 20 million pounds of oil will be obtained plus seed for plantings about 200,000 acres in 1952.

No substantial change is expected in the 1951-52 output of fish oils compared with the 160 million pounds produced in the last two years. Little change is expected in the catch of menhaden. Although some drop is likely in the catch of pilchards (sardines), the relative advantages of canning compared with converting the fish to oil and meal will determine how much oil is produced. The herring catch was down this part year and may decline further in the coming year. The recent level of total fish oil output is about equal to the wartime average and, except for the late 1930's, above the prewar level. In the latter half of the 1930's the sardine catch was unusually large, well above demand for canning.

Negligible quantities of the following oils also are produced from domestic materials: almond, apricot, mustard, olive, raisin, grapeseed, pecan, poppyseed, rice, wheat germ, walnut, milo maise, sunflower and safflower.

Exports of fats and oils expected to continue large

Exports in the past year were at a record high level, totaling 2,173 million pounds for the 11 month period, October 1950-August 1951, compared with 1,895 million pounds a year earlier. The 1950-51 11-month total includes 584 million pounds of lard, 698 million pounds of soybean oil and the oil equivalent of soybeans, and 457 million pounds of inedible tallow and grease. The total value of fats, oils and oilseeds exported in July 1950-June 1951 was 389 million dollars, compared with 268 million dollars in the previous fiscal year. Of this total, only 48 million dollars of exports (12 percent) was financed with E.C.A. or Garioa (Government and relief in occupied areas) funds. In 1949-50, 161 million dollars or 60 percent of the total was financed by the U. S. Government.

Table 9 shows exports by major items and major country groups for the 10 months October 1950-July 1951. Exports of soybeans and soybean oil were considerably larger than in the corresponding months of 1949-50 and exports of lard and inedible tallow and grease were moderately larger. Exports of cottonseed oil and peanuts and peanut oil were considerably reduced. These changes mainly reflect changes in the domestic supply position. About half of the total went to E.C.A. countries, although largely financed by dollars earned by these countries. In general, there was a strong demand from all importing countries. Some of the highlights in the situation were as follows: (1) Emergency aid to Yugoslavia included about 85 million pounds of fat. A large part of this was shipped in the 10 months under review. The emergency there has passed, and shipments in 1951-52 probably will be considerably smaller. (2) Record large shipments of soybean oil were sent to Spain following the short olive crop of 1950. A bumper olive crop in Spain and other Mediterranean countries is expected in 1951, so that shipments this year to these areas will be down sharply. (3) Large shipments of soybeans were sent to Japan following the termination of Japan's arrangements with Manchuria after the outbreak of hostilities in Korea. This market is expected to continue to take large supplies. (4) The United Kingdom took 152 million pounds of lard in February-August of 1951, whereas it took virtually none in 1950. Information is not available to indicate whether United Kingdom imports from the United States will continue large in 1951-52.

Table 8 .- Estimated production of fats and oils from domestic materials and oil equivalent of exported domestic oilseeds, year beginning October 1950 with comparisons

Item	Average 1937-41	Average 1942-46	1947	1948	1949	1950 1/	1951 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Butter (actual weight).....	2,220	1,761	1,494	1,663	1,713	1,505	1,460
Lard and rendered pork fat.	2,091	2,514	2,199	2,494	2,630	2,840	2,950
Edible beef fats 3/........	225	197	142	170	168	165	165
Total, edible animal fats	4,536	4,472	3,836	4,327	4,511	4,510	4,575
Corn oil................	173	221	201	225	242	243	
Cottonseed oil............	1,456	1,179	1,357	1,735	1,788	1,220	
Edible olive oil..........	6	5	3	8	2	2	
Peanut oil................	87	4/128	141	146	182	182	
Peanuts (shelled), oil equivalent of exports for crushing abroad 5/........	---	10	119	214	32	20	
Soybean oil...............	500	1,344	1,534	1,807	1,935	2,451	
Soybeans, oil equivalent of exports 6/...............	31	24	28	225	128	275	
Total, edible vegetable oils..................	2,253	2,911	3,383	4,358	4,310	4,391	4,800
Inedible tallow and greases	1,303	1,782	1,980	2,101	2,147	2,350	
Fish, whale and seal oils 7/	220	170	133	111	158	165	
Total, soap fats and oils	1,523	1,952	2,113	2,212	2,305	2,506	2,550
Linseed oil 8/............	361	579	689	731	725	808	
Flaxseed, oil equivalent of exports 9/...............	---	10/	10/	92	49	60	
Tung oil..................	2	8	16	17	27	12	
Total, drying oils.......	363	588	706	840	802	880	11/800
Other fats and oils 12/....	21	36	44	22	25	19	25
Grand total...........	8,696	9,959	10,082	11,758	11,953	12,308	12,750

Compiled from reports of Bureau of the Census, Fish and Wildlife Service, and U. S. Department of Agriculture. Total computed from unrounded numbers.

1/ Preliminary.
2/ Forecasts based on October 1 crop estimates and other indications.
3/ Edible tallow, oleo stock, oleo oil, and oleostearine. Beginning January 1949, use of edible tallow in pressing is subtracted from reported production of tallow.
4/ Excludes oil equivalent of Argentine peanuts imported in 1944.
5/ 43 percent of actual weight.
6/ 9 pounds per bushel, 1937-46; 9.5 pounds in 1947; 9.8 pounds in 1948-1950.
7/ Excludes cod oil and fish liver oils.
8/ Excludes oil equivalent of imported flaxseed.
9/ 19.8 pounds per bushel.
10/ Less than 500,000 pounds.
11/ Includes castor oil.
12/ Neats'-foot oil, wool grease, cod and fish-liver oils, and vegetable oils not reported separately by kind.

Table 9.-Fats, oils, oilseeds, and soap, in terms of oil: U. S. exports by destination, October 1950-July 1951

Item	ECA countries 1/	Non-ECA European Countries	Canada	Cuba	Other Latin American Republics	Japan: Korea: and Ryukyu	Puerto Rico &: Virgin Islands	All other countries	Total 2/ Oct. 1950-July 1951	Total Oct. 1949-July 1950 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Food fats and oils										
Lard	226.0	67.9	16.3	110.7	61.9	9.9	38.2	.2	531.0	517.2
Edible beef fats 3/	8.2	---	1.2	*	.8	2.3	---	.3	12.8	17.4
Soybeans (16.3 percent)	86.3	*	44.9	*	*	120.6	---	16.5	268.3	123.4
Soybean oil	203.3	128.2	14.9	13.5	6.2	.2	---	10.9	377.2	273.6
Peanuts, shelled (43 percent)	12.9	*	.2	.1	.1	*	---	5.5	18.8	35.1
Peanut oil	26.0	---	7.8	1.3	1.3	*	---	.8	37.2	58.3
Cottonseed oil	.6	---	29.2	1.0	8.3	3.8	---	8.1	51.0	135.3
Other edible 4/	8.9	9.1	9.5	1.2	5.4	.7	4.8	.6	40.2	45.4
Total edible	572.2	205.2	124.0	127.8	84.0	137.5	43.0	42.9	1,336.5	1,205.7
Non-food fats and oils										
Inedible tallow and greases 5/	189.0	6.5	58.7	34.9	17.4	60.4	---	48.3	415.2	374.3
Flaxseed (35.4 percent)	31.2	---	20.9	*	*	3.0	---	---	55.1	45.5
Linseed oil	7.2	.3	1.4	2.5	1.7	1.4	---	1.2	15.7	4.5
Soap (fat content)	3.1	*	2.1	.4	7.2	2.9	10.2	3.4	29.3	25.5
All others 6/	62.6	.1	18.4	7.5	15.6	1.7	---	4.3	110.2	121.0
Total inedible	293.1	6.9	101.5	45.3	41.9	69.4	10.2	57.2	525.5	570.8
Grand total	865.3	212.1	225.5	173.1	125.9	206.9	53.2	100.1	1,981.0	1,776.5

Compiled from reports of the Bureau of the Census. Includes reexports of palm and tung oils. Prepared in cooperation with the Office of Foreign Agricultural Relations and the Production and Marketing Administration.

1/ Austria, Belgium, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Netherlands, Norway, Sweden, Switzerland, Trieste, Turkey, United Kingdom, and dependent overseas territories.
2/ Computed from unrounded numbers.
3/ Edible tallow, oleo oil, oleo stearine, and oleo stock.
4/ The principal items included are butter, corn oil, edible olive oil, margarine, shortening, vegetable oils not specified by kind, and cottonseed (15.5 percent).
5/ Inedible tallow, grease stearine, other inedible animal fats, oils, and greases.
6/ The principal items included are fatty acids (mainly from tallow and vegetable oils), fish and whale oil, and coconut oil.

*Less than 50,000 pounds.

Exportable supplies of edible vegetable oils from non-dollar sources are expected to increase moderately in 1951-52. The West African and Indian peanut crops and the Mediterranean olive oil crops are expected to increase considerably. There also is a possibility of increased exports of Chinese and Manchurian peanuts and soybeans to Western Europe. However, exports from Argentina may be smaller than a year earlier, reflecting mainly the severe reduction in the 1951 sunflower seed crop due to drought. Coconut and palm oils have been used for food in Western Europe to a greater extent than before the war to help fill the deficit arising from reduced imports of other edible vegetable oils and whale oil. Supplies of these tropical oils are expected to be up considerably in 1951-52. Production of lard in Western Europe also is increasing. Despite these increases, supplies per capita will continue considerably below prewar. As edible fats and oils represent one of the lowest-cost sources of energy, a substantial European demand for edible fats and oils from the United States is expected to continue.

The large surplus stocks of flaxseed and linseed oil accumulated in Argentina prior to 1950 have diminished rapidly and will be virtually exhausted by the end of 1951, as a result of relatively large exports to Europe in 1950 and 1951. Argentina's crop to be harvested this fall will provide only enough flaxseed and linseed oil to maintain exports in 1952 at about half the 1951 rate. Per capita use in Western Europe has increased rapidly in recent years but is still below prewar. European demand is likely to continue strong through 1952, but consumption can be sustained at the 1951 level only by substantial imports of flaxseed and/or linseed oil from the United States. Information available in late October indicates that 1951 world production may fall to 125 million bushels, the lowest since 1946. Exports of inedible tallow and grease from the United States also can be expected to continue large, as prices probably will continue low in relation to those for other fats and oils.

Thus, the need of foreign countries for fats and oils from the United States will continue high. Availability of dollars will be the principal factor limiting the export demand. Europeans indicated during the past year that they were willing to spend considerable amounts of scarce dollars for fats and oils. Foreign receipts of gold and dollars from U. S. imports and U. S. Government foreign grants and loans increased from 14.8 billion dollars in fiscal 1949-50 to 19.1 billion in 1950-51. In fiscal 1951-52, foreign countries are expected to earn more dollars from this country's imports of goods and services. Also they are expected to receive more dollars from U. S. foreign grants and loans than in the preceding year, even though the total appropriations for foreign aid have been reduced from the amount actually appropriated in fiscal 1950-51. There were large obligated but undisbursed balances of U. S. Government foreign grants and loans on hand on July 1, 1951. In addition to an expected increase in foreign receipts of dollar exchange in 1951-52 compared to the previous year, foreign holdings of gold and dollars on July 1, 1951 were up 3.4 billion dollars (17 percent) from the preceding year.

In view of the above, it appears that exports will again be large in 1951-52. As the major part of the increase in the world exportable surplus of fats and oils in that year will take place in the United States, prices may decline less in European markets than in this country.

Imports of industrial fats and oils to continue large

Imports of fats, oils, and the oil equivalent of oilseeds into the United States in the 11 months ended August 1951 totaled 1,275 million pounds, compared with 1,099 million pounds for the corresponding months a year earlier. The principal items were 699 million pounds of coconut oil and the oil equivalent of copra, 78 million pounds more than a year earlier; 179 million pounds of castor oil and the oil equivalent of castor beans, compared with 150 million pounds a year earlier; 68 million pounds of palm oil, compared with 44 million pounds in the preceding year; and 58 million pounds of tung oil, compared with 36 million pounds a year earlier. Imports of edible vegetable oils other than olive oil were small.

Philippine copra and coconut oil exports, on an oil equivalent basis, were 50 percent larger during the first 6 months of 1951 than in the comparable period a year earlier. Shipments to the United States increased by 8 percent, while those to Europe were over 2.8 times as great as in the first half of 1950. Only 50 percent of the total shipments went to the United States, whereas in the first half of 1950 the proportion was 70 percent. The expansion in production is attributed to generally excellent weather and to the favorable prices offered. Barring any unusually serious developments in weather and market conditions, production and exports are expected to continue at a high level. Supplies available to the United States probably will be fully adequate for civilian and defense requirements, as well as requirements for the national stockpile.

World trade in tung oil since the mid-1930's has been largely determined by the political and military situation in China. Prior to World War II, exports from China constituted over 95 percent of the total world supplies, and China still represents the major source of supply, although production is increasing in other areas. In December 1950 trade between China and United States was curtailed by embargoes, and U. S. imports of Chinese tung oil have virtually ceased. In the United States, production of tung oil from domestic nuts has risen from 2 million pounds in 1937-41 to 23 million pounds in calendar year 1950. However, this represented only 21 percent of domestic utilization in that year. Production also is expanding in Argentina, Paraguay, Brazil, and Nyasaland, with a large percentage of the trees still to come into bearing. Hence, world dependence on exports from China will eventually be reduced considerably. In the meantime, supplies from domestic sources are believed to be adequate for defense requirements for quick-drying oils although not large enough to supply normal industrial usage.

World production of castor beans in 1951 is expected to be down slightly from 1950. A 13 percent reduction in Brazilian production due to unfavorable weather and a 17 percent reduction in India may be nearly offset by a possible increase in production in the Soviet Union and by the castor bean program initiated this year in the United States.

Brazil normally produces over a third of the world total, and India, almost a third. World production probably will be up in 1952, but supplies would not be available for consumption from that crop until late in the year. Most of the United States supply of castor beans comes from Brazil and India. As discussed on page 15, the prospective reduction in imports will be at least partially offset by the new program for production in the United States. However, available supplies will be materially short of demand.

Under Public Law 96, no imports of butter, peanuts and other fats and oils (including oilbearing materials, fatty acids, and soap and soap powder, but excluding coconuts and coconut products) may be admitted to the United States which the Secretary of Agriculture determines would (a) impair or reduce the domestic production below present production levels, or below such higher levels as the Secretary may deem necessary in view of domestic and international conditions, (b) interfere with orderly domestic storing and marketing or (c) result in any unnecessary burden of expenditure under any Government support program. In accordance with the provisions of this Act, importation of the following fats, oils and oilseeds are prohibited by Defense Food Order No. 3, as amended: Flaxseed, linseed oil, butter, butter oil, peanuts, and peanut oil.

Exports of tung and castor oils for industrial use are controlled under a quarterly allocation system. Exports of coconut, palm, oiticica and medicinal castor oils are on an open-end quota.

Domestic disappearance of fats and oils to continue high in 1951-52

Domestic disappearance of fats and oils in the year ending September 1951 apparently totaled nearly 11 billion pounds (including the fat content of butter), compared with 10.5 billion pounds in 1949-50 and 9.9 billion pounds in 1948-49. On a per person basis, apparent disappearance in 1950-51 was between 70 and 71 pounds (fat content). This was 1 to 2 pounds per person more than in the preceding year. It probably was the largest on record except for 1941, when substantial amounts are believed to have "disappeared" into unreported inventories. Food uses may have been about 1 pound lower than in the preceding year but nonfood uses were up by about 2 pounds. With further increases in industrial activity and in consumer income expected in 1951-52, domestic disappearance of fats and oils, particularly in industrial products, probably will again increase moderately.

Butter - A further decline in butter consumption to reach the lowest point on record is expected in 1951-52. Consumption per capita in 1950-51 was 10.1 pounds, down about 4 percent from a year earlier. This downtrend reflects mainly a decline in the demand for table spreads and increased supplies of alternative products, particularly margarine and cheese spreads. Milk production has declined in important butter-producing areas, and in other areas, milk has been diverted to fluid consumption and to the manufacture of whole milk products. Price supports for butter at 66 cents per pound for grade A or better throughout the country are in effect from April 1, 1951, through March 31, 1952. However, less than 1 million pounds have been purchased under the current program.

Margarine - Consumption of margarine has increased considerably following the repeal of the Federal tax of 10 cents per pound on colored margarine effective July 1, 1950. Consumption probably was at least 10 percent larger in 1950-51 than in the preceding year and a further increase is expected in 1951-52. Per capita consumption (fat content) was 5.3 pounds in 1950-51. A number of factors will tend to increase margarine consumption. Among these are the somewhat wider than normal ratio between retail prices of butter and margarine, the recent repeal of prohibitions against the manufacture and sale of colored margarine by 8 states with a total population of about 30 million people, and the declining consumption of butter. Production of colored margarine increased rapidly in the last half of 1950. During the first 8 months of 1951 colored margarine accounted for 76 percent of total margarine production. In 1949, colored margarine made up only 21 percent of the total.

Lard and shortening - Lard consumption in the 11 months ending August 1951 was 103 million pounds (6 percent) larger than in the corresponding months of the preceding year. Shortening consumption was 180 million pounds (12 percent) smaller than a year earlier. These changes mainly reflected the large supplies of lard and the somewhat restricted supplies of edible vegetable oils, particularly of cottonseed oil, which were available in that year. (Also the decline in disappearance of shortening probably reflects a drawing upon of stocks accumulated in July-September 1950 the quarter immediately preceding the 1950-51 crop year.) Production of both lard and edible vegetable oils will increase in the current marketing year, but the increase in the oils will be considerably larger. Thus, consumption of shortening probably will increase to or above the 1949-50 level of 10.7 pounds per capita. The consumption of lard may remain about the same as the 12.6 pounds in 1950-51. Combined consumption of the two items may exceed the 22.0 pounds consumed in 1950-51.

Other food fats and oils - Domestic disappearance of other food fats and oils -- largely cottonseed, corn, soybean, peanut, olive and coconut oils used as cooking and salad oils, in mayonnaise and salad dressing, and in bakery goods and confectionery--was about the same in 1950-51 as the record high level in 1949-50. The estimated disappearance in the past season per person was 8.4 pounds. These uses of fats and oils have shown a marked upward trend over the past 20 years, which is expected to continue in 1951-52.

Inventory shifts affected quarterly disappearance - Disappearance of shortening and of "other edible oils" in the July-September and October-December quarters of 1950 was unusually large. Disappearance continued large during the first part of the January-March 1951 quarter. The excess above normal is believed to reflect mainly the accumulation of stocks in unreported positions by wholesalers, retailers, and final consumers. Apparent disappearance dropped sharply in the April-June 1951 quarter and continued low through at least part of the July-September quarter. This is assumed to reflect the using up of stocks in unreported positions accumulated earlier. Total disappearance in the 1949-50 year probably is somewhat above actual consumption because of the accumulation of inventories in the last quarter. Disappearance in 1950-51 may nearly equal consumption or possibly slightly underestimate it, because the excess stocks accumulated earlier have probably now been used up. Thus actual consumption of food fats and oils in 1950-51 may have equaled or exceeded consumption in the preceding year.

Table 10 - Domestic disappearance of food fats, and fats and oils used in industrial products, year beginning October 1950 with comparisons

Year and Item	Unit	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Total
1948-49						
Butter:						
Actual weight	Mil. lb.	383	384	420	404	1,596
Fat content	Mil. lb.	312	309	338	325	1,285
Margarine:						
Actual weight	Mil. lb.	222	234	188	209	853
Fat content	Mil. lb.	180	191	153	170	693
Lard (direct)	Mil. lb.	523	486	385	402	1,796
Shortening	Mil. lb.	371	341	349	395	1,456
Other edible 1/	Mil. lb.	312	286	287	317	1,202
Food (fat content):						
Total	Mil. lb.	1,698	1,613	1,512	1,609	6,432
Per person 2/	Pounds	11.4	10.8	10.1	10.7	43.0
Soap 3/ 4/	Mil. lb.	482	423	394	412	1,711
Drying oil products 5/	Mil. lb.	228	194	183	255	861
Other industrial products 4/	Mil. lb.	191	232	243	253	920
All industrial products:						
Total	Mil. lb.	901	849	820	921	3,492
Per person 2/	Pounds	6.1	5.7	5.5	6.1	23.4
All products (fat content):						
Total	Mil. lb.	2,600	2,463	2,332	2,529	9,924
Per person 2/	Pounds	17.5	16.5	15.6	16.8	66.4
1949-50						
Butter:						
Actual weight	Mil. lb.	380	416	434	393	1,623
Fat content	Mil. lb.	306	335	349	316	1,307
Margarine:						
Actual weight	Mil. lb.	224	259	177	237	898
Fat content	Mil. lb.	182	210	144	195	731
Lard (direct)	Mil. lb.	498	448	429	459	1,834
Shortening	Mil. lb.	362	449	338	481	1,630
Other edible 1/	Mil. lb.	281	296	295	400	1,272
Food (fat content):						
Total	Mil. lb.	1,628	1,739	1,555	1,851	6,773
Per person 2/	Pounds	10.8	11.5	10.2	12.1	44.6
Soap 3/ 4/	Mil. lb.	429	420	354	408	1,611
Drying oil products 5/	Mil. lb.	225	193	263	303	984
Other industrial products 4/	Mil. lb.	248	292	291	293	1,125
All industrial products:						
Total	Mil. lb.	903	904	909	1,004	3,720
Per person 2/	Pounds	6.0	6.0	6.0	6.6	24.5
All products (fat content):						
Total	Mil. lb.	2,531	2,643	2,464	2,856	10,493
Per person 2/	Pounds	16.8	17.4	16.2	18.7	69.0
1950-51:						
Butter:						
Actual weight	Mil. lb.	421	372	394		
Fat content	Mil. lb.	339	299	318		
Margarine:						
Actual weight	Mil. lb.	257	273	225		
Fat content	Mil. lb.	209	223	183		
Lard (direct)	Mil. lb.	534	516	452		
Shortening	Mil. lb.	407	388	270		
Other edible 1/	Mil. lb.	329	325	290		
Food (fat content):						
Total	Mil. lb.	1,818	1,751	1,512		
Per person 2/	Pounds	11.8	11.4	9.8		
Soap 3/ 4/	Mil. lb.	495	487	346		
Drying oil products 5/	Mil. lb.	255	297	270		
Other industrial products 4/	Mil. lb.	327	330	339		
All industrial products:						
Total	Mil. lb.	1,078	1,114	955		
Per person 2/	Pounds	7.0	7.2	6.2		
All products (fat content):						
Total	Mil. lb.	2,896	2,865	2,467		
Per person 2/	Pounds	18.9	18.6	15.9		

Computed from reports of the Bureau of the Census and United States Department of Agriculture. Totals and per person estimates computed from unrounded numbers.

1/ Mainly salad and cooking oils. Includes all oils and fats (other than butter, lard, margarine, or shortening) used in mayonnaise and salad dressing, bakery goods, and confectionery, commercial roasting and frying etc. 2/ Civilian and military. 3/ Excludes fat equivalent of exports and shipments of soap. 4/ Fat equivalent of soap used in manufactures (rubber, textiles, etc.) is included with "Other industrial products." Prior to 1949, most of the fats and oils used in synthetic detergents is believed to have been reported as used in soap. Beginning in January 1949, this use of fats and oils is entirely included in "Other industrial products." 5/ Paints, varnishes, floor coverings, oilcloth, printing inks, core oils, synthetic resins, insulation, linings, packings, coated fabrics (other than oilcloth), caulking and other protective coatings.

Further Increase in Consumption of Drying Oils Expected

The total use of fats and oils in drying-oil products was about 10 percent larger in 1950-51 than in 1949-50. Use in paints and varnishes in the 11 months ended August 1951 was 713 million pounds, compared with 652 million a year earlier; in linoleum and oilcloth use was 125 million pounds, compared with 118 million a year earlier; and in other drying-oil products it was 151 million, compared with 112 million a year earlier. These increases reflect the high level of industrial activity. As industrial activity is expected to rise further in 1951-52, a considerable increase in the use of fats and oils in drying-oil products can be expected. Percentage-wise, the increase may be less than for the total economy as housing starts are expected to be lower in 1952 than in 1951 and precision-built military equipment probably requires less paint per unit of physical output than does civilian equipment.

Use of soybean oil in drying-oil products both absolutely and in relation to linseed oil was smaller than usual in 1950-51 because linseed oil prices were unusually low in relation to soybean oil prices. This reflected the heavy demand for soybean oil for edible products, due to the small cottonseed crop, and the very large supplies of linseed oil. Use of soybean oil is likely to increase in 1951-52, as price relationships will be more nearly normal. Supplies of both soybean and cottonseed oils will be large, and production of linseed oil will be smaller than domestic disappearance. (See page 12.) The combined consumption of soybean and linseed oil was 17 percent larger than in 1949-50, both because of the high level of activity in the drying-oil industry and because supplies of quick-drying oils were limited. Total use in drying-oil products of linseed oil was up from a year earlier by 149 million pounds (31 percent), but for soybean oil was down by 35 million pounds (20 percent). For tung oil use was down by 36 million pounds (35 percent), dehydrated castor oil by 7 million pounds (19 percent), and oiticica oil by 1 million pounds (37 percent). Supplies of the quick-drying oils will continue below normal in 1951-52, so that use of soybean and linseed oil will continue large. Total supplies of drying oils are expected to be fully adequate, but Government stocks of linseed oil will be moderately reduced.

Imports of castor beans and oil, in terms of oil, in the 11 months ended August 1951 were 179 million pounds, 19 percent larger than in the corresponding period a year earlier. Of the total imports, 68 percent came from Brazil, comprising 88 percent of the 1950 Brazilian crop, and 25 percent came from India Imports in 1951-52 probably will be smaller than in the preceding year. The 1951 crop in Brazil is reported 13 percent smaller than a year earlier, reflecting a severe drought in important producing sections early in the year. Most of the crop is harvested in May-October but considerable time is required to move the beans to port areas. Brazilian production probably will increase in 1952. Import during the current marketing year will be supplemented by the production of 20-30 million pounds of oil from domestically-produced beans. 1951 was the first year since the turn of the century in which castor beans were a commercially important crop in the United States. An expansion of domestic production is anticipated in 1952.

Castor oil is in demand for military purposes, mainly for use in lubricating oils and special nylon plastics for insulating combat communications wire. In addition, dehydrated castor oil is a quick-drying oil used in protective coatings. Since March, the Government has restricted most uses of castor oil to varying percentages of the amount used in the last quarter of 1950. During July-September 1951, use in paint, varnish, lacquer, and other protective coatings was limited to 60 percent of the base period level. Inventories of all users are limited to 30-day requirements, and exports are controlled. Total use of castor oil in the 11 months ended August 1951 was 165 million pounds, 14 percent larger than a year earlier. Of the total, 25 percent was used in drying-oil products compared with 31 percent in the preceding year. Additions to the national stockpile accounted for part of the total apparent use.

Tung oil is the major quick-drying oil used in protective coatings in this country. However, imports of this oil from China, the main source of supply, have been embargoed since last December. About 10-20 percent of normal usage in the United States is obtained from domestically-produced tung nuts and another 20 percent may be available from Argentina.

Imports of oiticica oil in 1951-52 may be about the same as in 1950-51 as the Brazilian crop of oiticica seed in 1951 is estimated to be about the same as in 1950. The quality of the seeds is reported to be exceptionally good this year. Most of the oiticica oil imported comes from Brazil and is used in drying-oil products.

Supplies of quick-drying oils are expected to be adequate to meet essential defense needs. However, total domestic use in drying-oil products will be much smaller than in recent years.

Use of Fats and Oils in Detergents to Show Little Increase

Total use of fats and oils in soap (excluding the fat equivalent of soap used in industrial products) in the 11 months ended August 1951 was 1,490 million pounds, about the same as a year earlier. Quarterly use was unusually large in the first half of the October-September 1950-51 marketing year, but was unusually low in the second half. These changes are believed to reflect mainly changes in inventories of soap. Use of fats and oils in synthetic detergents totaled 65 million pounds in 1949 and was at an annual rate of about 120 million pounds in the first 11 months of 1950 and at an annual rate of 160 million pounds during the first 5 months of 1951. These are the only official data available on the use of fats and oils in synthetic detergents. Total use in synthetic detergents and soap for civilian consumption in 1950-51 is estimated at 11 pounds per person, the lowest on record.

Total disappearance of soap and synthetic detergents per civilian, on a product-weight basis, is estimated at 30 pounds in 1950-51, about the same as in 1949-50 and 4 pounds larger than in 1935-39. The 1950-51 figure includes 22 pounds of soap and 8 pounds of synthetic detergents. Disappearance of total soap and synthetic detergents in 1951-51 probably was higher than in any year prior to 1941. The growing importance of synthetic detergents is not reflected in the use of fats and oils in soap and synthetics. A substantial part of the total synthetics are made from petroleum derivatives and coal-tar products, and those made from fats and oils have a relatively low fat content.

Trade sources indicate that in 1950 synthetics represented 31 percent of total non-liquid soap and detergent sales to housewives and 51 percent of package (non-bar) soap and detergent sales. If raw materials were available, it is felt that sales of synthetics might increase to 75 percent of package sales within the next year or two. However, temporary shortages of plants and raw materials will prevent such an expansion in that time. Demand for certain raw materials used in synthetic detergents, particularly sulphuric acid and perhaps benzine, has increased greatly since the step-up in our defense program, and supplies available for non-essential uses will be limited for several years or more. However, some further increase in production of synthetics is possible, so that the use of fats and oils in soap probably will show no **appreciable increase.**

From the end of World War II up to the outbreak of hostilities in Korea, domestic consumption of inedible tallow and greases (the major fats used in soap) did not keep pace with production. Apparent production in 1947-49 was 74 percent larger than the 1937-41 average, while factory consumption in the same period increased only 52 percent. This was true even though the proportion which inedible tallow and grease represented of the total saponifiable material used in soap increased from 49 percent in 1937-41 to 66 percent in 1947-49. This figure increased to 71 percent in the 11 months ended August 1951. The increasing proportion of tallow and grease used in soap reflects low prices relative to those for other ingredients. The greatest cuts relative to prewar came in the use of coconut and palm oil. Since the war, nearly all of the palm oil imported into the United States has been used in the production of tin and terne plate and in the cold-rolling of steel. Use of inedible tallow and greases in products other than soap also has increased sharply. These uses in the first 11 months of the October-September 1950-51 marketing year totaled 450 million pounds, more than double the prewar rate. Exports also have increased materially. In the 11 months ended August 1951 net exports were 451 million pounds, 5 percent larger than a year earlier, compared with net imports of 2 million pounds in 1937-41 and 25 million pounds in 1942-46. Production of tallow and grease is expected to continue to expand in 1951-52 and both exports and use in non-soap products may be larger than in the preceding year. Prices probably will average considerably lower than in the 1950-51 marketing year.

Table 11.- Inedible tallow and greases: Production, utilization, net foreign trade, and wholesale price, United States, 1937-50

Period	Apparent production 1/	Factory consumption			Net imports (+) or net exports (-)	Stocks, end of period	Price per pound, prime inedible tallow, Chicago
		In soap	In other products	Total			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
Average							
1937-41	1,167	965	204	1,169	+ 2	321	6.3
1942-46	1,748	1,398	417	1,815	+25	233	9.2
1947	2,023	1,526	356	1,882	-68	246	19.2
1948	1,940	1,451	331	1,782	-87	317	16.0
1949	2,132	1,346	320	1,666	-431	352	6.3
1950	2,267	1,363	439	1,802	-534	283	8.7
Oct.-Aug.							
1949-50	1,966	1,197	357	1,554	-430	337	6.3
1950-51	2,173	1,201	451	1,652	-453	347	13.8

Compiled from reports of the Bureau of the Census.

1/ Computed from factory consumption, trade and stocks.

Sharp Increase in Use of Fats and Oils in Miscellaneous Industrial Products

Use of fats and oils in other industrial products was about 20 percent larger in 1950-51 than in 1949-50. During the 11 months ended August 1951, 1,201 million pounds were so used. Monthly data are not available to show the breakdown of this total. However, of the 870 million pounds used in calendar year 1949, 413 million pounds were used in fat splitting, 135 million pounds represents the fat equivalent of soaps used in industrial products, mainly textiles and rubber, 65 million were used in synthetic organic detergents, 43 million in textiles, 41 million in rubber, 33 million in tin and terne plate and 32 million in sulphonation. Smaller quantities are listed for a number of other industries. Part of the use in pressing and in "other processing" also is included.

During the 11 months ended August 1951, the most important fats and oils used for this purpose were inedible tallow and grease (450 million pounds), coconut oil (147 million pounds), castor oil (119 million pounds), fish and fish liver oils (91 million pounds), palm oil (66 million pounds), soybean oil (55 million pounds), and lard (35 million pounds).

Use for miscellaneous industrial purposes varies with the level of industrial activity but has followed a generally rising trend. A further increase is expected in 1951-52.

Tall Oil Becoming Increasingly Important

Production of tall oil increased greatly during World War II and at present is at a record high level of about 400 million pounds per year. Domestic disappearance in the 11 months ended August 1951 was 315 million pounds, a record level and 41 percent larger than a year earlier.

In the war period tall oil was in great demand as a substitute for scarce fats and rosin in soap making and for the production of synthetic drying oils for use in paints, varnishes, and linoleum. Since the war, the latter group of uses has furnished the major reported use of tall oil. Exports have been an important outlet. Use in soap has declined. Recently a method of completely separating the resin and fatty acids has been adopted on a commercial scale whereby the resin acids are recovered in the form of rosin, designated "tall oil rosin."

Tall oil is a mixture of resin acids and fatty acids. It is recovered by a chemical process from the spent alkaline liquor of the sulphate paper process after the wood has been cooked to a pulp. The resin acids in tall oil are practically identical with the acidic components of rosin. The fatty acids, present as such in the growing pine tree, are closely related to the components of both vegetable and animal fats.

Table 12. - Fats and oils, including margarine and shortening: Production from domestic and imported materials, August 1950 and 1951, January-August 1950 and 1951, and factory and warehouse stocks at end of month, with comparative data

Items grouped by major use	Production 1/				Stocks			
	August		January-August		July 31, 1950	August 31, 1950	July 31, 1951	August 31, 1951
	1950	1951	1950	1951				
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
PRIMARY FATS AND OILS								
Food fats and oils								
Butter 2/	125.0	121.1	1,044.6	899.9	230.1	239.4	104.4	117.0
Lard and rendered pork fat 3/	135.7	158.7	1,273.3	1,423.0	135.0	99.8	91.1	71.9
Oleo oil, oleo stock, edible animal stearine, and edible tallow	16.4	11.0	112.5	101.4	8.9	9.4	7.9	7.1
Total edible animal fats	277.1	290.8	2,430.4	2,424.3	374.0	348.6	203.4	196.0
Corn oil	23.1	18.2	159.9	161.5	16.4	16.0	18.0	14.0
Cottonseed oil	72.7	60.2	956.8	537.4	215.2	141.0	167.1	127.2
Olive oil, edible	---	---	1.6	1.5	2.9	2.8	22.2	20.9
Peanut oil	7.5	9.8	97.3	135.6	23.3	12.2	38.1	24.3
Sesame oil 4/	1.2	.1	6.5	5.0	.2	.5	.5	.5
Soybean oil	157.0	187.9	1,292.9	1,659.6	177.8	143.1	212.0	193.2
Total edible vegetable oils	261.5	276.2	2,515.0	2,500.6	435.8	315.6	457.9	380.1
Soap fats and oils								
Tallow, inedible, and greases, excluding wool grease 5/	200.8	177.5	1,444.1	1,530.9	367.1	337.4	340.3	347.3
Palm oil 6/	---	---	---	---	7/	7/	17.6	18.1
Fish oil	32.9	24.9	89.6	87.6	47.9	57.5	39.3	68.1
Whale and seal oils	8/	---	8/	8/	8/	.4	---	---
Olive oil, inedible and foots	---	---	---	---	2.3	3.1	.2	.3
Total slow-lathering oils	233.7	202.4	1,533.7	1,618.5	---	---	397.4	433.8
Babassu oil 4/	---		20.7	13.7	3.8	2.0	9.5	10.2
Coconut oil 6/	48.4	47.2	292.4	329.3	7/	7/	93.4	91.4
Other lauric-acid oils 4/	.1	.6	4.3	8.5	.1	4.7	9/	9/
Total lauric-acid oils	48.5	47.8	317.4	351.5	---	---	103.8	101.6
Drying oils								
Castor oil, dehydrated	4.6	.8	33.2	17.7	7.0	7.4	8.6	7.8
Linseed oil	57.8	60.5	455.8	534.7	595.5	584.8	677.9	664.2
Oiticica oil	---	---	---	---	2.0	3.0	9.0	9.0
Tung oil	---	---	19.5	8.3	23.2	20.7	26.1	21.2
Total drying oils	62.4	61.3	508.5	560.7	627.7	615.9	721.6	702.2
Other industrial oils and fats								
Neat's-foot oil	.2	8/	1.7	3.3	1.2	1.1	1.2	1.1
Sperm oil 6/	---	---	---	---	7/	7/	27.3	27.3
Wool grease	1.5	1.1	9.1	8.6	2.0	2.1	.4	.5
Cod oil and fish-liver oils	.2	.3	1.3	1.7	5.6	5.6	9.7	9.8
Castor oil, No. 1 and No. 3 6/ 10/	5.6	5.1	52.1	46.1	7/	7/	40.5	31.5
Rapeseed oil	---	---	---	---	2.7	2.1	3.2	3.6
Other vegetable oils	---	---	---	---	10.1	8.2	18.5	21.0
Total	7.5	6.5	64.2	59.7	---	---	100.8	94.8
Grand total 11/	890.7	885,2	12/7,895.7	8,055.2	13/	13/	1,984.9	1,908.5
From domestic materials	830.8	831.5	12/7,486.5	7,635.0				
From imported materials	59.9	53.7	409.2	420.2				
FAT-AND-OIL PRODUCTS								
Margarine 14/ Colored	52.4	73.0	281.2	505.2	6.0	10.6	8.9	9.5
Uncolored	31.7	13.3	333.0	157.0	2.9	5.9	3.1	2.7
Total	84.1	86.3	614.2	662.2	8.9	16.5	12.0	12.2
Shortening	180.3	126.3	1,110.8	909.2	71.2	60.5	114.4	104.7

Compiled from reports of the Bureau of the Census, except as noted. Data include stocks held by the Government in reported positions.

1/ Factory production except as otherwise noted.
2/ Creamery butter production and cold-storage stocks, United States Department of Agriculture.
3/ Federally inspected production, United States Department of Agriculture.
4/ Production computed as oil equivalent of imported seeds or kernels.
5/ Total apparent production, Bureau of Agricultural Economics (Computed from factory consumption, trade, and stocks).
6/ Beginning September 30, 1950 stock data are for commercial stocks only.
7/ Data on stocks were not reported by the Bureau of the Census for July and August. The exclusion of these figures was done to make it impossible to calculate reasonably accurate figures for stockpiles of these stratigic oils.
8/ Less than 50,000 pounds.
9/ Included in "other vegetable oils."
10/Production of No. 1 and No. 3 minus production of dehydrated castor oil.
11/Computed from unrounded numbers.
12/Includes estimated output of farm butter and non-federally inspected lard, 527 million pounds in January-August 1950; 540 million pounds in January-August 1951.
13/Stocks of the reported items total 19 million pounds more in July 31, 1951 than on July 31, 1950; 127 million pounds more on August 31, 1951 than on August 31, 1950.
14/Bureau of Internal Revenue through June 1950. Beginning July 1950, Bureau of the Census. Beginning July 1950 stocks held at production plants only.

Table 13.- Imports and exports of fats, oils, oil-bearing materials and fat-and-oil products in terms of oil, August 1950 and 1951, and January-August 1950 and 1951

Items	Imports for consumption				Exports 1/			
	August		January-August		August		January-August	
	1950	1951	1950	1951	1950	1951	1950	1951
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
Food fats and oils								
Butter	2/	2/	2/	2/	.4	.3	3.2	19.2
Lard	---	2/	2/	2/	42.7	52.9	408.6	493.7
Oleo oil	---	---	---	---	.2	.3	3.5	2.6
Oleo stock	---	---	---	---	.2	.1	1.4	2.1
Stearine, animal, edible	---	---	---	---	.2	.2	1.2	1.7
Tallow, edible	---	2/	2/	.2	.5	.2	4.1	2.9
Total, edible animal fats	2/	2/	2/	.2	44.2	54.0	422.0	522.2
Corn oil	---	---	2/	.2	2/	.2	1.0	2.6
Cottonseed oil	---	---	---	---	2.8	2.2	105.1	25.2
Cottonseed (15.5 percent)	---	---	---	---	2/	2/	2.9	1.5
Olive oil, edible	12.1	1.4	53.1	31.2	2/	2/	.4	.1
Peanut oil	---	---	---	---	1.2	6.5	36.5	41.5
Peanuts, shelled (43 percent)	---	---	---	---	---	1.0	21.7	19.9
Sesame oil	2/	2/	.2	.1	---	---	---	---
Sesame seed (47 percent)	1.2	.1	6.5	5.0	---	---	---	---
Soybean oil	---	---	2/	---	6.5	50.0	202.4	340.5
Soybeans (16.3 percent)	2/	2/	2/	2/	3.2	3.1	82.3	168.6
Teaseed oil	---	---	2/	2/	----	---	---	---
Vegetable oils, shipments to Puerto Rico and the Virgin Islands	---	---	---	---	.4	.2	2.7	1.3
Total, edible vegetable oils	13.3	1.5	59.8	36.5	14.1	63.2	455.0	601.2
Soap fats and oils								
Fish oils	.5	.3	6.9	9.5	4.4	10.2	30.8	24.8
Greases	---	.1	---	.2	7.5	5.1	38.7	37.0
Marine mammal oils	.9	5.8	4.4	41.4	2/	---	.1	.4
Olive oil, inedible and foots	.2	2/	2.6	3.8	.1	2/	.2	.1
Palm oil	.2	8.8	27.4	52.9	.3	.2	1.6	.8
Tallow, inedible	.3	.1	1.0	2.7	49.7	35.7	296.0	282.4
Total, slow-lathering oils	2.1	15.1	42.3	110.5	62.0	51.2	367.4	345.5
Babassu oil	2.8	1.1	6.2	25.2	---	---	---	---
Babassu kernels (63 percent)	---	---	20.7	13.7	---	---	---	---
Coconut oil	9.6	5.4	73.9	82.2	1.2	6.0	11.8	21.3
Copra (63 percent)	54.5	44.3	336.2	376.1	---	2.6	2/	2.8
Murumuru kernels (35 percent)	---	---	.2	---	---	---	---	---
Palm-kernel oil	5.6	.3	10.7	4.9	---	---	---	---
Palm kernels (45 percent)	---	2/	2/	2/	---	---	---	---
Tucum kernels (43 percent)	.1	.6	4.2	8.5	---	---	---	---
Total lauric-acid oils	72.6	51.7	452.1	510.6	1.2	8.6	11.8	24.1
Drying oils								
Flaxseed (35.4 percent)	---	---	2/	2/	---	11.6	44.1	44.2
Linseed oil	---	2/	.1	2/	.5	7.9	4.4	14.2
Oiticica oil	2.2	1.7	6.5	12.6	---	---	---	---
Tung oil	12.3	.7	61.0	22.5	.4	.3	5.1	3.7
Total	14.5	2.4	67.6	35.1	.9	19.8	53.6	62.1
Other industrial oils and fats								
Cashew-nut shell liquid (oil)	.9	.6	3.5	5.5	---	---	--	---
Castor oil	6.1	7.7	27.1	67.8	.2	.1	1.2	1.1
Castor beans (45 percent)	7.6	2.6	72.1	51.0	---	---	---	---
Fish-liver oils	2.2	1.4	16.5	20.2	.1	.1	.4	.6
Japan wax (tallow)	2/	2/	.1	.1	---	---	---	--
Neat's-foot oil	---	2/	1.2	.7	.1	2/	.4	.3
Rapeseed oil	---	1.0	1.7	5.7	.3	---	.5	.2
Wool grease	.5	.1	2.8	3.6	2/	.1	.4	1.7
Other vegetable oils and fats	.2	.1	.4	.6	.2	.2	.6	2.2
Total	17.5	13.5	125.4	155.2	.9	.5	3.5	6.1
Manufactured products and secondary materials (fat content)								
Margarine 3/	2/	2/	.2	2/	.5	.4	4.1	2.9
Shortening	---	2/	2/	2/	.6	.5	8.0	9.0
Stearine, vegetable oil winter	---	---	---	---	---	---	.5	1.7
Soap	2/	.1	.3	.6	4.2	2.5	21.8	21.7
Foots and soap stock	---	---	---	---	.2	.1	1.2	1.2
Fatty acids	.3	.1	2.2	2.3	4.4	3.7	41.5	22.9
Total	.3	.2	2.7	2.9	9.8	7.2	77.1	59.4
Grand total 4/	120.3	84.6	750.0	851.3	133.1	204.5	1,390.5	1,620.6

Compiled from Foreign Commerce and Navigation of the United States, reports of the Bureau of the Census, and United States Department of Agriculture. 1/ Includes shipments of butter, lard, and manufactured products to Puerto Rico and the Virgin Islands; reexports of coconut, palm and tung oils, olive-oil foots and copra. 2/ Less than 50,000 pounds. 3/ Imported margarine goes largely to Puerto Rico and the Virgin Islands. 4/ Computed from unrounded numbers.

Table 14.- Price received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals, September 1949 and 1950 and July-September 1951

Item	Unit	1949	1950	1951		
		Sept.	Sept.	July	Aug.	Sept.
		Dol.	Dol.	Dol.	Dol.	Dol.
Castor beans, Brazilian ports	Long ton	105.50	180.00	1/225.00	230.00	226.67
Copra, Philippines, c.i.f. Pacific Coast	Short ton	159.50	222.50	166.25	179.50	181.25
Cottonseed, United States average	Short ton	43.50	78.80	78.00	69.10	66.10
Flaxseed, No. 1, Minneapolis	Bushel	3.94	3.55	3.42	3.41	3.83
Flaxseed, United States average	Bushel	3.63	3.24	3.17	3.11	3.41
Peanuts, No. 1, shelled, Spanish, Southeastern shipping points*	100 lb.	16.75	17.62	17.25	17.38	18.50
Peanuts, United States average	100 lb.	10.20	10.90	10.80	10.80	11.00
Soybeans, No. 2, yellow, Chicago ..	Bushel	2.21	---	3.02	---	2.66
Soybeans, No. 2, yellow, Illinois country shipping points	Bushel	2.20	2.45	2.94	2.87	2.77
Soybeans, United States average	Bushel	2.14	2.26	2.86	2.71	2.59
		Oilseed meals 2/				
Copra meal, Los Angeles 3/	Short ton	51.50	71.20	70.75	70.60	74.20
Cottonseed meal, 41 percent protein, Memphis	Short ton	57.75	71.90	73.70	68.75	68.75
Cottonseed meal, 41 percent protein, Chicago	Short ton	68.10	80.30	83.55	79.50	78.40
Linseed meal, 34 percent protein, Minneapolis	Short ton	62.40	63.90	61.10	66.40	71.60
Linseed meal, 34 percent protein, New York.........................	Short ton	75.30	77.85	74.10	79.50	83.50
Peanut meal, 45 percent protein, f.o.b. Southeastern mills.........	Short ton	70.00	69.95	70.45	68.50	69.40
Soybean meal, 44 percent protein, Chicago 4/	Short ton	83.15	65.85	80.50	77.40	82.80

Compiled from Oil, Paint and Drug Reporter, Daily Market Record (Minneapolis), Wall Street Journal, Chicago edition, reports of the Bureau of Agricultural Economics, and records of Production and Marketing Administration.

1/ One quotation only.
2/ Bagged ,carlots.
3/ Original quotations adjusted to bagged-carlots basis.
4/ 41 percent before July 1950.
* These prices apply to peanuts for edible uses.

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